

Message Text

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PAGE 01 SURABA 00815 180424Z

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ACTION EB-07

INFO OCT-01 EA-07 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01

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INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 PA-01 PRS-01

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FM AMCONSUL SURABAYA

TO AMEMBASSY JAKARTA

INFO SECSTATE WASHDC 0755

AMEMBASSY SINGAPORE

AMCONSUL MEDAN

LIMITED OFFICIAL USE SURABAYA 0815

E.O. 11652: N/A

TAGS: ENRG, ECON, ID, US

SUBJECT: CITIES SERVICE MADURA FIELD BEGINS PRODUCTION

1. CEREMONY INAUGURATING CITIES SERVICE/PERTAMINA "POLENG" OIL FIELD INSTALLATIONS, ABOUT 25 KILOMETERS NORTH OK ISLAND OF MADURA, WAS HELD DECEMBER 17, PRESIDED OVER BY GOVERNOR NOER AND GENERAL IBNU SUTOWO. INSTALLATION CONSISTS OF 800 FOOT, 500,000 BBL STORAGE TANKER; PRODUCTION PLATFORM WITH THREE PRODUCING WELLS, NATURAL GAS FLARE; SECOND DRILLING PLATFORM UNDER CONSTRUCTION, AND VARIOUS SUPPORT VESSELS. I ATTENDED CEREMONY, WHICH HELD ON FANTAIL OF STORAGE TANKER.

2. CITIES SERVICE OFFICIALS SAID CUVKENT PRODUCTION WAS 5,000 BPD, AND IS EXPECTED TO RISE TO 25,000 BPD IN NEAR FUTURE. STORAGE TANKER CAN OFFLOAD OIL ON BOTH SIDES, AND IS MOORED TO MASSIVE BUOY WHICH CAN PIVOT 360 DEGREES WITH OCEAN CURRENTS. SO FAR, CITIES SERVICE HAS FOUND
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PAGE 02 SURABA 00815 180424Z

ONLY "MISCELLANEOUS SMALL DEPOSITS" IN MADURA AREA, BUT

IS STILL HOPING FOR MASSIVE FIELD AS EXPLORATION CONTINUES.
OFFICIAL SEEMED A BIT GLUM THAT EXISTING FIELD, WHICH
REQUIRED SEVEN-YEAR EXPLORATION AND MASSIVE INVESTMENT,
IS RELATIVELY SMALL THOUGH COMMERCIALY EXPLOITABLE.
CITIES SERVICE DLILL SEARCHING FOR BUYERS, AND ANTICIPATES
OIL PRODUCED WILL BE DIVIDED BETWEEN JAPAN AND U.S. WEST
COAST. "POLENG" IS FIRST PRODUCING FIELD IN EAST JAVA IN 50 YEARS.

3. HIGH TECHNOLOGY NATURE OF OPERATION WAS QUITE EVIDENT,
AND EAST JAVA OFFICIALS WERE PLEASED TO LEARN THAT TYPE OF

BUOY BEING USED WAS ONE OF ONLY TWO IN THE WORLD. HOWEVER,
OPERATION WILL EMPLOY ONLY ABOUT 100 INDONESIAN NATIONALS
UNLESS LARGE FIELD IS LOCATED, THUS CONTRIBUTING LITTLE
TO SOLUTION OF EAST JAVA'S EMPLOYMENT PROBLEM.

4. OPERATION SHOULD BROADEN PERTAMINA'S ROLE AND INFLUENCE
IN EAST JAVA, WHICH HAS BEEN MINIMAL TO DATE. PERHAPS
ANTICIPATING THIS, STUDENT NEWSPAPER MINGGUAN MAHASISWA
THIS WEEK HEADLINED ARTICLE EMBODYING LENGTHY CERITICISM
OF PERTAMINA AND ITS BOSS, ENTITLED: "IBNU SUTOWO - DOWN
AND OUT."
HOWLAND

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